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5 April 1957

THRU : Chief, Information Staff, ORR
: Chief, Economic Research
: Chief, Services Division
: Chief, Trade Branch

Requirements for sources of information on foreign trade between Soviet cooperative society and cooperative organizations in certain Bloc and non-Bloc countries.

Background:

During most of Soviet history, consumer cooperatives in the USSR have been more or less active in Soviet foreign trade in consumer goods. Prior to World War II, inter-cooperative trade on the part of the USSR was restricted to a small number of countries and was usually of negligible size. However, there have been increasing indications over the past year that the role of Soviet cooperatives in foreign trade is growing rapidly. This applies to Soviet trade with both Bloc and non-Bloc countries. The intelligence significance of this increased inter-cooperative trade of the USSR is twofold: first, to what extent does it reflect current Soviet political objectives in the Free World and the Bloc, as opposed to the internal objective of obtaining more and better consumer goods for the Soviet population? Second, how will this decentralization of Soviet foreign trade affect its pattern, structure, and size?

In its non-Bloc trade, the USSR has reported (on 2 March 1957) the completion of deliveries under 1956 contracts with consumer cooperatives in Japan and West Germany; the imminent signing of 1957 contracts with Co-ops in Britain, Denmark, Scotland, Sweden, and France; and plans to establish 1957 cooperative trade relations with Italy, India, Iceland, and Finland. In its Bloc trade, 1956 deliveries were reported with cooperative organizations in North Korea, Czechoslovakia, and Poland; 1957 contracts signed with the GDR and Hungary; and preliminary negotiations conducted with Albania, Bulgaria, and Rumania.

The following requirement relates to both Bloc and non-Bloc countries. It is suggested that FDB, and DDP be requested to act upon this requirement particularly as it relates to Soviet trade with the Bloc. Should there be found indications that the role of Soviet cooperatives in Soviet foreign trade is of major size and importance, it may then be worthwhile to expand this requirement and ask other agencies to act upon it. As of now, the subject matter of this requirement is of considerable interest but not of top priority.

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Requirements:

Information desired on each of the following countries: India, Scotland, Denmark, Sweden, Iceland, France, Italy, Finland, Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, and North Korea.

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Subject: Trade between Soviet cooperatives and cooperatives in the above countries.

1. How long has yearly trade been conducted between the Centrosoyuz (Central Union of Consumer Cooperatives, USSR) and the country concerned? Has there been any marked increase in the level of this trade since 1953? If so, how great was the increase and when did it take place? Provide figures where possible.

2. Are there any special arrangements or conditions under which this trade is conducted? For example, have there been any credits extended by the USSR or the other country? Is this trade considered and accounted for as a part of the regular commercial trade between the two countries? Have there been any offers or requests for the extension of technical assistance, special marketing arrangements, or other such special conditions in connection with this trade? How is this trade financed?

3. What is the significance of this trade between co-ops?

Specifically,

- a. what is the basis of Soviet interest in expanding this trade?
- b. what are the Soviet plans for this trade?
- c. Is this trade motivated chiefly by political, international, or commercial factors?
- d. what is the role of the USSR Ministry of Foreign Trade in this trade?
- e. how large is this trade likely to become in the future?

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